

1997-98 SESSION  
COMMITTEE HEARING  
RECORDS

Committee Name:

Joint Committee on  
Finance (JC-Fi)

Sample:

Record of Comm. Proceedings ... RCP

- 05hrAC-EdR\_RCP\_pt01a
- 05hrAC-EdR\_RCP\_pt01b
- 05hrAC-EdR\_RCP\_pt02

➤ Appointments ... Appt

➤ \*\*

➤ Clearinghouse Rules ... CRule

➤ \*\*

➤ Committee Hearings ... CH

➤ \*\*

➤ Committee Reports ... CR

➤ \*\*

➤ Executive Sessions ... ES

➤ \*\*

➤ Hearing Records ... HR

➤ \*\*

➤ Miscellaneous ... Misc

➤ 97hrJC-Fi\_Misc\_pt209

➤ Record of Comm. Proceedings ... RCP

➤ \*\*

STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION  
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON  
GOVERNOR  
MARK D. BUGHER  
SECRETARY

Mailing Address:  
Post Office Box 7864  
Madison, WI 53707-7864



**Date:** March 19, 1998

**To:** Mark D. Bugher, Secretary  
Department of Administration

**From:** Gretchen A. Fossum, Executive Policy and Budget Analyst  
Division of Executive Budget and Finance *SAF*

**Subject:** Request under S. 16.515 by The Board on Aging and Long-Term Care

**REQUEST:**

The Board on Aging and Long-Term Care (BOALTC) requests an increase in expenditure authority of \$30,700 PRS in FY98 and \$30,700 PRS in FY99 in s.20.432(1)(k), contracts with state agencies.

**REVENUE SOURCES FOR APPROPRIATION:**

Funding of \$18,700 PRS in each year is available from a federal Health Care Financing Administration (HCFA) insurance information grant through the Department of Health and Family Services (DHFS). In addition, DHFS has one-time funding of \$12,000 FED in each year available from the federal Older Americans Act.

**ANALYSIS:**

BOALTC provides medicare eligible individuals information on a variety of insurance products through the Medigap hotline. In November 1996 BOALTC received approval to convert a position funded under the HCFA grant from project to permanent. Expenditure authority was provided for 9 months of 1997 with the expectation that the position would be fully funded in the 1997-99 biennial budget. However, the full funding for the position was not included in 1997 Act 27. The following request details the Board's expenditure request:

	FY98	FY99
Salary	\$11,300	\$11,300
Fringe	4,100	4,100
Supplies	3,300	3,300
Total	\$18,700	\$18,700

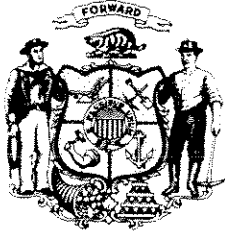
While BOALTC has upgraded its computer technology in recent years, it lacks the ability to transfer data and information between the regional and central offices. The Department of Administration has recommended an upgrade in cabling and telephone lines to enable BOALTC staff to effectively communicate between offices.

Mark D. Bugher, Secretary  
March 19, 1998  
Page 2

The annual cost of the upgrade for FY98 and FY99 is \$12,000 per year which will be funded by one-time DHFS Older American Act funds. The Board intends to request funding for the ongoing costs in the next biennial budget.

**RECOMMENDATION:**

Approve the request.



R - M -  
CC T&S  
GF

**STATE OF WISCONSIN  
BOARD ON AGING AND LONG TERM CARE  
VOLUNTEER OMBUDSMAN PROGRAM**

214 N. Hamilton Street  
Madison, WI 53703-2118

1-800-242-1060

(608) 261-8848

FAX (608) 261-6570

George F. Potaracke  
Executive Director

March 2, 1998

To: Richard Chandler, Budget Director  
Department of Administration

VAR 3 - 1998

Fr: George F. Potaracke

Re: s. 16.515 Request

The Board on Aging and Long Term Care requests an increase of \$30,700 PRS for FY 98 and \$30,700 PRS for FY 99 in expenditure authority in s. 20.432 (1) (k), contracts with state agencies.

For the past six years the Board has been receiving funds through DHFS from a grant awarded by the federal Health Care Financing Administration (HCFA) to support the operations of the Medigap Helpline. The Board also receives funds from DHFS as part of an annual award from the federal Administration on Aging to support the Long Term Care Ombudsman Program. Within this request, \$18,700 in each year will support the Medigap Helpline and \$12,000 in each year supports the Ombudsman Program.

**MEDIGAP HELPLINE**

On November 1, 1996 the Board received approval to convert a project position to permanent for the Medigap Helpline. Funding was included for only the 9 remaining months of that fiscal year. During the development of the 97 - 99 biennial budget full funding for this position was inadvertently not incorporated into the Board's base funding.

**Budget Detail:**

	FY 98	FY 99
Salary:	11,300	11,300
Fringe	4,100	4,100
Supplies	3,300	3,300
Total	<b>18,700</b>	<b>18,700</b>

**LONG TERM CARE OMBUDSMAN**

The Board has been upgrading its computer technology over the past couple of years to link its regional ombudsman program operations. We have been informed by Infotech that we need to upgrade the cabling/telephone lines in order to transmit data and to use the equipment features more efficiently. The annualized cost for this upgraded service is \$12,000. DHFS has agreed to make funds available to the Board for FY 98 and FY 99 as part of its support of the Ombudsman Program. These are to be considered one-time funds. The Board will build these ongoing costs into its next biennial budget request.

**Budget Detail**

	FY 98	FY 99
Supplies:	12,000	12,000
Total	<b>12,000</b>	<b>12,000</b>

*Advocate for the long term care consumer.*

s. 16.515 Request  
March 2, 1998  
Page 2.

#### **SUMMARY**

Both the Medigap Helpline and the Long Term Care Ombudsman Program are extremely efficient at providing direct services to the citizens of the state. Both components of this request should be considered appropriate adjustments to the Board's original budget plan. The federal funds are available at this time to the Board to carry out these functions.

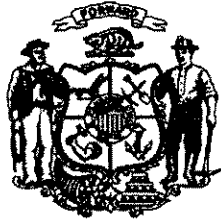
Please contact me at 6-8945 if you require further information.

Thank you.

# THE STATE OF WISCONSIN

SENATE CHAIR  
**BRIAN BURKE**

119 MLK, Room 202  
P.O. Box 7882  
Madison, WI 53707-7882  
Phone: (608) 266-8535



ASSEMBLY CHAIR  
**JOHN GARD**

315-N Capitol  
P.O. Box 8952  
Madison, WI 53708-8952  
Phone: (608) 266-2343

## JOINT COMMITTEE ON FINANCE

April 15, 1998

Secretary Michael Sullivan  
Department of Corrections  
149 East Wilson Street  
Madison, WI 53707  
HAND DELIVERED

Dear Secretary Sullivan:

We are writing to inform you that the Joint Committee on Finance has reviewed your report, dated March 25, 1998, relating to performance measures for the Milwaukee County Absconder Unit.

No objections have been raised concerning this report. Accordingly, the performance measures are approved.

Sincerely,

Handwritten signature of Brian Burke in black ink.

BRIAN BURKE  
Senate Chair

Handwritten signature of John Gard in black ink.

JOHN GARD  
Assembly Chair

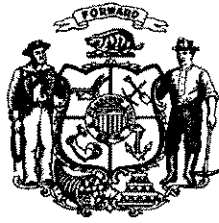
BB/JG/jc

cc: Members, Joint Committee on Finance  
Bob Lang, Legislative Fiscal Bureau

# THE STATE OF WISCONSIN

SENATE CHAIR  
**BRIAN BURKE**

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P.O. Box 7882  
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Phone: (608) 266-8535



ASSEMBLY CHAIR  
**JOHN GARD**

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Phone: (608) 266-2343

## JOINT COMMITTEE ON FINANCE

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Brian Burke  
Representative John Gard

Date: March 26, 1998

Re: 14 Day Passive Review Approval

Attached is a copy of a request from the Department of Corrections, dated March 25, 1998, which provides performance measures for the Milwaukee County Absconder Unit.

The Committee approved the plan for the creation and operation of an absconder unit in Milwaukee County at its December 18, 1997, meeting under s. 13.10, with the requirement that the Department of Corrections submit performance measures for the absconder unit to the Committee for review and approval under a 14-day passive review process by March 1, 1998.

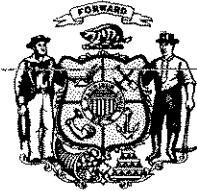
Please review the material and notify **Senator Burke** or **Representative Gard** no later than **Tuesday, April 14, 1998**, if you have any concerns about the request or if you would like the Committee to meet formally to discuss it.

Also, please contact us if you need further information.

Attachment

BB:JG:dh

Tommy G. Thompson  
Governor  
Michael J. Sullivan  
Secretary



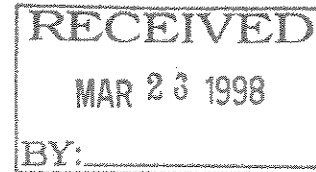
Mailing Address  
149 East Wilson Street  
Post Office Box 7925  
Madison, WI 53707-7925  
Telephone (608) 266-2471

## State of Wisconsin Department of Corrections

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March 25, 1998

### MEMORANDUM



**TO:** Honorable Brian Burke, Co-Chair  
Joint Committee on Finance

Honorable John Gard, Co-Chair  
Joint Committee on Finance

**FROM:**   
Michael J. Sullivan, Secretary  
Department of Corrections

**SUBJECT: Division of Community Corrections Absconder Unit Evaluation**

On December 18, 1997 the Joint Committee on Finance approved the Department of Corrections plan for the creation and operation of an absconder unit in Milwaukee County. The Department was also required to submit performance measures to the Committee for review and approval under a 14-day passive review process.

Attached are the performance measures for your review.

**Cc:** Mark Bugher, DOA  
Roger Fetterly, DOA  
Ave M. Bie  
Michael S. Rogowski  
Mary Cassady  
William Grosshans  
Lucie Widzinski-Pollock

Attachment



## Milwaukee County Absconder Unit

**Mission: to increase public safety by locating, tracking and holding absconders\* and escapees\* accountable for complying with rules of supervision and avoiding criminal activity.**

<b>Goal 1: Increase public safety.</b>	<b>Goal 2: Improve the accountability of offenders.</b>	<b>Goal 3: Enhance the collaboration between the DOC and local law enforcement in the apprehension of absconders and escapees.</b>
<b>Objective:</b>  1.1 Increase public safety by reducing the number of absconders and revoking the supervision of offenders not amenable to supervision.	<b>Objective:</b>  1.1 Improve the accountability of offenders by making offenders report regularly, pay restitution, submit to urinalysis screens and participate in work, school, or community service.	<b>Objective:</b>  1.1 Enhance the collaboration between DOC and local law enforcement by sharing information and jointly participating in neighborhood and community policing.
<b>Performance Indicators:</b>	<b>Performance Indicators</b>	<b>Performance Indicators</b>
<b>Outcome:</b>  <ul style="list-style-type: none"> <li>Reduce the number (3800) and percent (19%) of the current population of absconders and escapees in Milwaukee by 380 or 10% in the first 6 months and 953 or 25% in the first 12 months.</li> </ul>	<b>Outcome:</b>  <ul style="list-style-type: none"> <li>Improve the accountability of offenders by increasing the number reporting to their probation/parole agents by 3% (from 81% to 84%) within the first 6 months and 6% (from 84% to 87%) within the first year.</li> </ul>	<b>Outcome:</b>  <ul style="list-style-type: none"> <li>Identify absconders who are the most violent and high risk cases and provide Milwaukee County law enforcement, with information on 100% of such cases.</li> <li>Obtain written feedback or survey from law enforcement agencies in Milwaukee County.</li> </ul>

\*"Absconder" means a probationer or parolee whose location is unknown. "Escapee" means an offender who escapes from an institution (Type 1 and Type 2), or correctional center.



## Legislative Fiscal Bureau

One East Main, Suite 301 • Madison, WI 53703 • (608) 266-3847 • Fax: (608) 267-6873

March 27, 1998

TO: Members  
Joint Committee on Finance

FROM: Bob Lang, Director

SUBJECT: Department of Corrections Absconder Unit Performance Measures

### BACKGROUND

On December 18, 1997, the Joint Committee on Finance approved the Department of Corrections' request to create a probation and parole absconder unit in Milwaukee County under s. 13.10. At that time, the Committee released \$446,900 GPR in 1997-98 and \$1,025,600 GPR in 1998-99 and approved the creation of 26.0 GPR positions for the unit. The Department indicates that the unit will become operational on April 1, 1998.

When the s. 13.10 request was made to the Committee, the Department had identified program goals and objectives for the absconder unit, but had not yet developed performance measures. Since the performance measures had not been determined, the Committee required that Corrections submit proposed measures to the Committee for review and approval under a 14-day passive review process by March 1, 1998.

On March 26, 1998, the Department submitted the performance measures for the Committee's review and approval. If no objection is raised by April 14, 1998, the performance measures will be approved.

### PERFORMANCE MEASURES

In the December, 1997, s. 13.10 request to the Committee for approval of the plan for creation of the absconder unit, Corrections indicated that its goals and objectives for the unit were as follows:

**Program Goals.** The unit is intended to: (a) increase public safety; (b) improve the accountability of offenders; and (c) enhance the collaboration between Corrections and local law enforcement in the apprehension of absconders.

**Program Objectives.** The unit has the following objectives: (a) increase public safety by reducing the number of absconders and revoking the supervision of offenders not amenable to supervision; (b) improve the accountability of offenders by making offenders report regularly, pay restitution, submit to urinalysis screens and participate in work, school or community service; and (c) enhance collaboration between Corrections and local law enforcement by sharing information and jointly participating in neighborhood and community policing.

The Department's current request before the Committee for approval of the specific performance measures reflects the goals and objectives as approved by the Committee in December, 1997. The specific performance measures are as follows:

- **Increase Public Safety.** Reduce the number and percentage of absconders and escapees in Milwaukee by 380 or 10% in the first six months and 953 or 25% in the first 12 months. Corrections indicates that there are currently 3,800 absconders or escapees in the Milwaukee County area.
- **Improve Accountability of Offenders.** Increase the number of offenders reporting to their probation and parole agents by 3% within the first six months and 6% within the first 12 months. Reporting rates would increase from 81% to 87% over the period.
- **Enhance Collaboration Between Corrections and Local Law Enforcement Related to Absconders.** Identify absconders who are the most violent and highest risk cases, and provide Milwaukee County law enforcement with information on these cases. Obtain written feedback from, or survey, law enforcement agencies in Milwaukee County on the performance of the absconder unit.

In addition to approving the creation of the absconder unit and requiring the submission of performance criteria at the December, 1997, s. 13.10 meeting, the Committee also required Corrections to report to the Committee on the effectiveness of the absconder unit by May 1, 1999. The performance measures currently submitted to the Committee for review and approval will be used for that report.

If you have any questions regarding the Department of Corrections' performance measures for the absconder unit, please contact us.

Prepared by: Jere Bauer

Attachment

Tommy G. Thompson  
Governor  
Michael J. Sullivan  
Secretary



Mailing Address  
149 East Wilson Street  
Post Office Box 7925  
Madison, WI 53707-7925  
Telephone (608) 266-2471

## State of Wisconsin Department of Corrections

---

March 25, 1998

### MEMORANDUM

**TO:** Honorable Brian Burke, Co-Chair  
Joint Committee on Finance

Honorable John Gard, Co-Chair  
Joint Committee on Finance

**FROM:**   
Michael J. Sullivan, Secretary  
Department of Corrections

**SUBJECT:** Division of Community Corrections Absconder Unit Evaluation

On December 18, 1997 the Joint Committee on Finance approved the Department of Corrections plan for the creation and operation of an absconder unit in Milwaukee County. The Department was also required to submit performance measures to the Committee for review and approval under a 14-day passive review process.

Attached are the performance measures for your review.

**Cc:** Mark Bugher, DOA  
Roger Fetterly, DOA  
Ave M. Bie  
Michael S. Rogowski  
Mary Cassady  
William Grosshans  
Lucie Widzinski-Pollock

Attachment

## Milwaukee County Absconder Unit

**Mission: to increase public safety by locating, tracking and holding absconders\* and escapees\* accountable for complying with rules of supervision and avoiding criminal activity.**

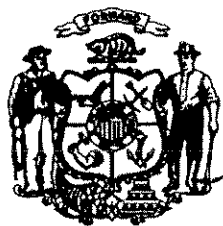
<b>Goal 1: Increase public safety.</b>	<b>Goal 2: Improve the accountability of offenders.</b>	<b>Goal 3: Enhance the collaboration between the DOC and local law enforcement in the apprehension of absconders and escapees.</b>
<b>Objective:</b>  1.1 Increase public safety by reducing the number of absconders and revoking the supervision of offenders not amenable to supervision.	<b>Objective:</b>  1.1 Improve the accountability of offenders by making offenders report regularly, pay restitution, submit to urinalysis screens and participate in work, school, or community service.	<b>Objective:</b>  1.1 Enhance the collaboration between DOC and local law enforcement by sharing information and jointly participating in neighborhood and community policing.
<b>Performance Indicators:</b>	<b>Performance Indicators</b>	<b>Performance Indicators</b>
<b>Outcome:</b>  <ul style="list-style-type: none"> <li>Reduce the number (3800) and percent (19%) of the current population of absconders and escapees in Milwaukee by 380 or 10% in the first 6 months and 953 or 25% in the first 12 months.</li> </ul>	<b>Outcome:</b>  <ul style="list-style-type: none"> <li>Improve the accountability of offenders by increasing the number reporting to their probation/parole agents by 3% (from 81% to 84%) within the first 6 months and 6% (from 84% to 87%) within the first year.</li> </ul>	<b>Outcome:</b>  <ul style="list-style-type: none"> <li>Identify absconders who are the most violent and high risk cases and provide Milwaukee County law enforcement, with information on 100% of such cases.</li> <li>Obtain written feedback or survey from law enforcement agencies in Milwaukee County.</li> </ul>

\*\*Absconder" means a probationer or parolee whose location is unknown. "Escapee" means an offender who escapes from an institution (Type 1 and Type 2), or correctional center.

# THE STATE OF WISCONSIN

LAH

SENATE CHAIR  
BRIAN BURKE



ASSEMBLY CHAIR  
JOHN GARD

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P.O. Box 7882  
Madison, WI 53707-7882  
Phone: (608) 266-8535

315-N Capitol  
P.O. Box 8952  
Madison, WI 53708-8952  
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## JOINT COMMITTEE ON FINANCE

April 9, 1998

Mr. Mark D. Bugher, Secretary  
Department of Administration  
101 East Wilson Street, 10th Floor  
Madison, WI 53702

Dear Secretary Bugher:

We are writing to inform you that the Joint Committee on Finance has reviewed your requests, dated March 23, 1998, and submitted pursuant to s. 16.505/.515 regarding the Educational Communications Board and the Departments of Corrections and Revenue. There were no objections to the requests related to the Department of Corrections and the Department of Revenue and therefore, those requests are approved.

With regard to the request for the Educational Communications Board, the Committee approves the request, subject to a modification in the funding amount for the first year. Funding for gifts, grants, contracts and leases for the first year should be modified by \$100,700 to instead provide \$20,000. The request for 3.0 FTE positions will remain unchanged, as will the funding and position request for the second year. The funding request has been reestimated to reflect the expenditure authority needed to fund these positions for only the final two months of the 1997-98 fiscal year.

Unless you notify us by April 30, 1998, that you wish us to schedule a meeting of the Committee to consider the original request for the Educational Communications Board, we will consider the request as approved with the above modification.

Sincerely,

A handwritten signature in black ink, appearing to read 'Brian Burke'.

BRIAN BURKE  
Senate Chair

A handwritten signature in black ink, appearing to read 'John G. Gard'.

JOHN GARD  
Assembly Chair

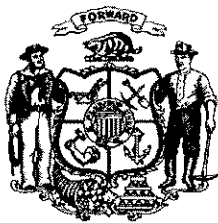
BB/JG/jc

CC: Tom Fletemeyer, Educational Communications Board  
Michael J. Sullivan, Department of Corrections  
Cate Zeuske, Department of Revenue  
Jay Huemmer, DOA

# THE STATE OF WISCONSIN

SENATE CHAIR  
**BRIAN BURKE**

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ASSEMBLY CHAIR  
**JOHN GARD**

315-N Capitol  
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Phone: (608) 266-2343

## JOINT COMMITTEE ON FINANCE

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Brian Burke  
Representative John Gard  
Co-Chairs, Joint Committee on Finance

Date: March 23, 1998

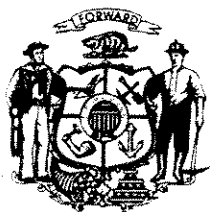
Re: s. 16.515/16.505(2), Stats. Request

Attached is a copy of a request from Secretary Bugher, dated March 23, 1998, pursuant to s. 16.515/16.505(2), Stats., pertaining to requests from the Educational Communications Board, the Department of Corrections and the Department of Revenue.

Please review these items and notify **Senator Burke** or **Representative Gard** no later than, **Thursday, April 9, 1998**, if you have any concerns about the request or would like the Committee to meet formally to consider it.

Also, please contact us if you need further information.

BB/JG/jc



STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION  
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON  
GOVERNOR  
MARK D. BUGHER  
SECRETARY

Mailing Address:  
Post Office Box 7864  
Madison, WI 53707-7864



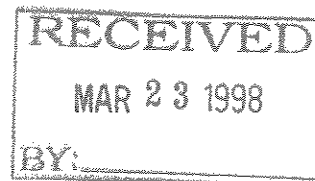
**Date:** March 23, 1998

**To:** The Honorable Brian Burke, Co-Chair  
Joint Committee on Finance

The Honorable John Gard, Co-Chair  
Joint Committee on Finance

**From:** Mark D. Bugher, Secretary  
Department of Administration

**Subject:** S. 16.515/16.505(2) Requests



Enclosed are requests that have been approved by this department under the authority granted in s. 16.515 and s. 16.505(2). The explanation for each request is included in the attached materials. Listed below is a summary of each item:

<u>AGENCY</u>	<u>DESCRIPTION</u>	<u>1997-98</u>		<u>1998-99</u>	
		<u>AMOUNT</u>	<u>FTE</u>	<u>AMOUNT</u>	<u>FTE</u>
ECB 20.225(1)(g)	Gifts, grants, contracts and leases	\$120,700	3.00	\$120,700	3.00
DOC 20.410(1)(kk)	Institutional operations and charges	*\$2,248,700		\$3,010,00	
DOR 20.566(1)(gf)	Administration of resort tax	\$14,100	.50	\$17,900	.50

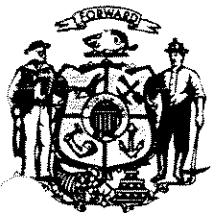
\*\$16,500 of this request in FY98 is for one-time funding.

As provided in s. 16.515, the requests will be approved on April 13, 1998, unless we are notified prior to that time that the Joint Committee on Finance wishes to meet in formal session about any of the requests.

Please contact Jay Huemmer at 266-1072, or the analyst who reviewed the request in the Division of Executive Budget and Finance, if you have any additional questions.

Attachments





STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION  
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON  
GOVERNOR  
MARK D. BUGHER  
SECRETARY

Mailing Address:  
Post Office Box 7864  
Madison, WI 53707-7864



**Date:** March 9, 1998

**To:** Mark D. Bugher, Secretary  
Department of Administration

**From:** Steven Milioto  
Executive Budget and Policy Analyst

**Subject:** Request Under s. 16.505 From the Wisconsin Educational  
Communications Board For 3.0 FTE Permanent Positions

**REQUEST:**

Under the statutory provisions of s. 16.505, the Wisconsin Educational Communications Board (ECB) is requesting the conversion of 2.0 FTE PR project positions to permanent positions and the creation of 1.0 FTE PR permanent position. ECB has withdrawn its request under s. 16.515 for an increase in supplies and services-related spending authority in appropriation s. 20.225 (1) (g).

**REVENUE SOURCES FOR APPROPRIATION(S):**

ECB will fund the permanent positions with PR funds from appropriation s.20.225 (1) (g) Gifts, grants, contracts and leases. Funding sources for this appropriation include Instructional Television Fixed Service (ITFS) contracts, Community Service Grants (CSG), overnight delivery fees, program royalties and revenues from the Wisconsin Educational Technology Conference and teleconferences and telecourses.

**BACKGROUND:**

This request contains two components, each of which is discussed separately.

I. Media Technician Positions (2.0 FTE)

In March 1996, the Joint Committee on Finance (JCF) approved ECB's request for 2.0 FTE PR Media Technician positions. While ECB sought to have these positions created as permanent positions, JCF instead approved them as two-year PR project positions since the long-term demand for and funding availability of the proposed positions and services were indeterminate at the time of the request.

ECB's Media Technicians are responsible for the operation and maintenance of ECB's telecommunications facilities, including ECB's five licensed television stations and ten licensed radio stations. The 2.0 FTE project positions in this request are a Media Technician-Maintenance position and a Media Technician-Telecommunications Operations Center (TOC) position.

The Media Technician-Maintenance position's current responsibilities are to provide maintenance and repair support for ITFS and satellite downlink facilities at K-12 and

Vocational College districts, FM radio transmitters, and weather service transmitters in southern Wisconsin. The Technician will also perform duties related to the construction and maintenance of new weather service transmitters and the new WHAD-FM construction project in Delafield approved in the 1997-99 biennial budget. Total annual salary and fringe costs requested for the position are \$37,700.

The Media Technician-TOC position will provide operations and maintenance support to ECB's Telecommunications Operations Center. The TOC is the central delivery mechanism for ECB's public television and radio functions, including overnight and ITFS programming. Total annual salary and fringe costs requested for the position are \$37,900.

## II. Instructional Communications Specialist (1.0 FTE)

In addition to the above requests, which would convert project positions to permanent positions, ECB is requesting the creation of a new 1.0 FTE PR-funded position to enhance staff capabilities in the agency's instructional services unit. The instructional services unit develops educational products for use by schools and teachers. The Instructional Communications Specialist position would have primary responsibility for developing new educational products such as CD-Roms, computer software and Web pages. Total annual salary and fringe costs requested for the position are \$45,100.

### **ANALYSIS:**

#### I. Media Technician Positions

The 2.0 FTE PR Media Technician project positions were created, in part, to reduce the effects of the elimination of 4.0 FTE GPR Media Technician positions in the 1995-97 biennial budget. ECB sought to replace the GPR-funded positions with PR-funded positions in order to maintain agency service standards, particularly in regard to the operation and maintenance of its ITFS systems.

The Media Technician-Maintenance position has been funded by program revenues that accrue from service agreements ECB has with users of its ITFS programming. Various educational agents contract with ECB to coordinate the provision of ITFS services and pay the agency for costs associated with providing these services. Based on contract renewals, ECB estimates that these contracts will generate \$120,200 in program revenue in FY98. The ITFS-related program revenue funds will be used to fund the salary and fringe costs of this position in their entirety.

ECB anticipates that the revenue generated by its ITFS contracts will remain strong for the foreseeable future, as the demand for ITFS programming is expected to continue at its present level. ECB believes that the loss of the current position will have a negative impact on the agency's ability to provide maintenance and repair support for various activities. In particular, the agency feels that its provision of ITFS-related programming to its customers will be impaired if a position with responsibility for ITFS activities is lost. While ITFS is generally regarded as an outdated technology, numerous school districts and other governmental entities

continue to use the technology, including CESA 2, CESA 10, Fox Valley Technical College, Lakeshore Technical College, Southwest Technical College, North Central Technical College, the Department of Corrections, LaCrosse School District and the New Tech consortium.

The Media Technician-TOC position is funded internally from a combination of overnight delivery revenues and the ECB's federal Community Services Grant (CSG). Overnight delivery revenues accrue from fees charged to educators for the provision of late-night educational programming which is then taped by the educators and replayed at their convenience. The CSG is a federal grant that is used to support various ECB activities including the provision of educational programming. ECB anticipates that this combination of revenues will be sufficient to provide continuing funding for this position in the future.

It should be noted that the State Budget Office's (SBO) original understanding of this position was that it would be involved primarily in ITFS-related activities and would be funded by revenues generated from ITFS contracts. Over time, this position's responsibilities have expanded beyond ITFS activities to include other maintenance and operations functions in the TOC. In a period of increased programming operation and diminishing resources, ECB believes that involving this technician in a variety of TOC activities (including ITFS functions) is a more efficient use of existing resources.

#### I. Instructional Communications Specialist

According to ECB, as the role of technology has expanded in the provision of the instructional services that accompany educational programming, the need for multi-media formats has also expanded. While an ECB-developed videotape and teacher's manual were once sufficient to meet the needs of users of ECB programming, the agency must now devise CD-Roms, computer software and Web pages to accompany more traditional instructional offerings. ECB believes that the increased time, effort and technical expertise needed to produce these products warrants the addition of another permanent position. With the creation of the Technology for Educational Achievement in Wisconsin program (TEACH) in the 1997-99 biennial budget, increased demand for these instructional materials is expected and adds further justification for the request.

Currently, ECB is shifting responsibility for these new activities to existing staff while assigning prior activities to LTEs. The agency feels that the creation of a new instructional services position would be a more efficient use of resources than shifting work to existing FTEs and LTEs. In addition, the new position would free existing personnel to concentrate solely on their ongoing duties. Should the new position be approved, ECB anticipates that a combination of fee revenues generated by the Wisconsin Educational Technology Conference, teleconferences and telecourses and program royalties will be sufficient to fund this position in the future.

#### **RECOMMENDATION:**

##### I. Media Technician Positions

Mark D. Bugher, Secretary  
March 10, 1998  
Page 4

Approve the request for 2.0 FTE PR permanent positions and \$75,600 in additional spending authority in appropriation s. 20.225 (1) (g). ECB has demonstrated the continued need for the positions and should have sufficient program revenues to fund them.

## II. Instructional Communications Specialist

Approve the request for 1.0 FTE PR permanent position and \$45,100 in additional spending authority in appropriation s. 20.225 (1) (g). With the creation of the TEACH program and the expanding use of technology, it is reasonable to expect increasing demand by school districts for instructional services products.



WISCONSIN EDUCATIONAL  
COMMUNICATIONS BOARD

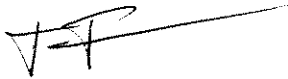
SERVING WISCONSIN THROUGH EDUCATIONAL TELECOMMUNICATIONS  
THOMAS L. FLETMEYER, EXECUTIVE DIRECTOR

R-1-1-1  
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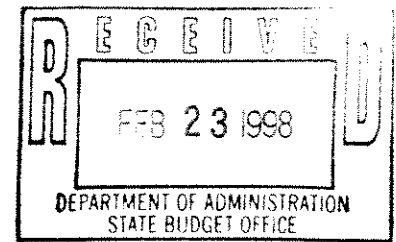
**MEMORANDUM**

DATE: February 19, 1998

TO: Richard Chandler  
State Budget Director  
Department of Administration

FROM: Tom Fletemeyer   
Executive Director  
Educational Communications Board

SUBJECT: 16.505/16.515 Requests



The Educational Communications Board is requesting the conversion of two program revenue project positions to permanent status, the approval of one new program revenue position, and a \$500,000 increase in spending authority for supplies and services in Appropriation 131.

**I. 16.505 Position Requests:**

Effective July 1, 1996, the Joint Finance Committee approved 2.0 Media Technician positions as project rather than permanent to allow time to assure that program revenue would be generated to support them and that the functions were ongoing. The agency believes it now has sufficient history to justify the conversion of these positions to permanent status.

The first project position is assigned to the Telecommunications Operation Center (TOC) in Madison. The TOC is the headend for the statewide distribution of Wisconsin Public Television and Radio programming. The TOC and television network now operate 24 hours a day six days a week during the school year. The radio network is scheduled to go to 24 hour service also. We operate 19 hours on the seventh day to provide time for technical maintenance.

Our 24 hour/overnight service has been functioning for over two years, has been well received, and is now considered an ongoing function. We are therefore, requesting that the TOC project position be converted to a permanent position. Salary and fringe

cost for this position is \$37,900 and is funded internally from our Community Service Grant \$19,400 and overnight delivery revenues of \$18,500.

The second project position is a Media Technician – Maintenance. The primary duties are to provide maintenance and repair of ITFS and satellite downlink facilities at K-12 and Vocational College districts, FM radio transmitters, and weather service transmitters in southern Wisconsin. This position will also be heavily involved in the construction and ongoing maintenance of the new weather service transmitters and the new WHAD-FM construction project in Delafield approved in the 1997-99 biennial budget.

Following GPR budget cuts in 1995-97 the ITFS maintenance service was partially converted to PRO. Users supporting this service have subsequently signed maintenance agreements and are billed for the service. Maintenance fees were phased in over a three-year period and the revenue for 1998 is anticipated to be \$120,200. We have also applied \$7,800 of new Weather Service Operating funds yielding total funds available of \$128,000. The salary and fringe cost for this position is \$37,700 and will be funded from these continuing revenues. This request will convert both of these project positions to permanent program revenue positions.

The third position is a new position needed to enhance our staff capabilities in our instructional services unit. This position is necessary because of the expanded role technology is playing in our instructional services product development for schools and teachers. For example, only a year or two ago when we produced an instructional program for schools it included a videotape and a teacher's manual. Today that same video program is developed in multi-media format requiring the addition of a CD-ROM, computer software, and WEB pages. Each of these requires innovative publications in print or electronic format to help educators learn, understand, and relate these resources to their curriculums and pedagogy.

Without additional staff, we will simply fall behind in bringing new products to the schools and teachers. Temporarily, we have been able to assign the new needs to veteran staff while off loading current workload to LTE staff. This request will allow us to replace part time staff performing permanent tasks with permanent staff. Salary and fringe cost for this position is \$45,100 and will be supported by a variety of program revenue sources including: the Wisconsin Educational Technology Conference; teleconferences and telecourses; program royalties; and other projects.

## **II. 16.515 Spending Authority Increase:**

The ECB requests a \$500,000 increase in spending authority in supplies and services in Appropriation 131. This increase results from a change in the distribution of public radio funds between the ECB and the UW Extension under a formal partnership agreement.

An amendment to this partnership agreement, effective July 1, 1997, changed the way that radio fundraising revenues are distributed between the partnership entities. The Wisconsin Public Radio Association raises funds for both the ECB and the UWEX. For the past several years, these funds have been split arbitrarily 50/50 and budgeted accordingly within each agency's operating budget. This year the partners have agreed to split the revenue in a more appropriate manner based on contributions to the stations licensed to the entities. While this does not increase the overall budget for Wisconsin Public Radio, the net effect is that the ECB will now be allocated 75% of the revenue instead of 50%. This increases radio expenditures within the ECB budget by over \$900,000, which, when combined with increased program revenue activities for the Wisconsin Education Technology Conference (WETC) and increasing program acquisition costs for both radio and television, requires an increase of \$500,000 above our current spending authority.

If you should have any questions regarding this submission, please contact Ted Tobie at 264-9667.



STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION  
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON  
GOVERNOR  
MARK D. BUGHER  
SECRETARY

Mailing Address:  
Post Office Box 7864  
Madison, WI 53707-7864



**Date:** March 9, 1998

**To:** Mark D. Bugher, Secretary  
Department of Administration

**From:** *Roger Fetterly*  
Roger Fetterly, Budget Analyst  
Division of Executive Budget and Finance

**Subject:** Request under s.16.515 from the Department of Corrections for  
Institutional Operations and Charges

### **REQUEST**

The Department of Corrections (DOC) requests an increase in expenditure authority of \$2,248,700 PRS in FY98 and \$3,010,000 PRS in FY99 in the Institutional Operations and Charges appropriation, [s. 20.410(1)(kk)] to provide for increased spending authority in the following numeric appropriations:

1. Waupun Central Generating Plant (na 135), \$399,700 PRS in FY98 and \$510,000 PRS in FY99.
2. Waupun Central Warehouse (na 122), \$1,849,000 PRS in FY98 and \$2,500,000 PRS in FY99.

### **REVENUE SOURCES FOR APPROPRIATION**

The sources of revenue for appropriation 20.410 (1)(kk) for the Waupun Central Generating Plant are receipts from the sale of utilities to correctional institutions and facilities in the Waupun area. The sources of revenue for appropriation 20.410(1)(kk) for the Waupun Central Warehouse are receipts from the sale of merchandise to state institutions, state agencies and local units of government.

### **BACKGROUND**

**Central Generating Plant (CGP).** The CGP produces steam for space and water heating for the Waupun Correctional Institution (WCI), Dodge Correctional Institution



(DCI), Burke Correctional Center (BCC) and the Waupun Creamery. Electricity produced by the plant supplements the local utility service to DCI and WCI and provides emergency electrical generation capability. The CGP also sells hard and soft water to various correctional sites in the Waupun area.

**Waupun Central Warehouse (WCW).** The WCW makes bulk purchases of items such as paper products, inmate clothing, cereal, and flour at discount prices and resells the merchandise to correctional institutions, state agencies, schools and local governments. The ability to purchase in large volume allows WCW to provide merchandise to its customers at substantial cost savings.

## **ANALYSIS**

### **Waupun CGP**

Waupun CGP has expenditure authority of \$2,039,378 in FY98 and is projecting actual expenditures of \$2,439,078. DOC is requesting an increase in expenditure authority of \$399,700 PRS in FY98 to meet its actual expenses. Similarly, CGP has expenditure authority of \$1,995,700 in FY99 and is projecting actual expenditures of \$2,505,700. DOC is requesting an increase in expenditure authority of \$510,000 PRS in FY99. This additional expenditure authority will be used to purchase supplies and services primarily coal, paper pellets and gas to operate the CGP for the delivery of utility services to its customers.

Since 1995 the Waupun area has experienced a significant increase in demand for utility services as a result of a 329,800 ft<sup>2</sup> addition to DCI, construction of a 57,500 ft<sup>2</sup> segregation facility at the WCI and a new 8,500 ft<sup>2</sup> Waupun Creamery. Additionally, an increase in population of approximately 775 inmates during this period also adds to the demand for utility services.

### **WCW**

WCW has expenditure authority of \$7,082,249 in FY98 and is projecting actual expenditures of \$8,931,249. DOC is requesting an increase in expenditure authority of \$1,849,000 PRS in FY98 to meet actual expenses. Similarly, WCW has expenditure authority of \$7,015,200 in FY99 and is projecting expenditures of \$9,515,200. DOC is requesting an increase in expenditure authority of \$2,500,000 PRS in FY99 to meet actual expenses. For FY98, part of the increase includes \$16,500 of one-time funding to partially supplement funding for a truck and several semi-trailers. For FY99, \$1,100 of the requested increase will fund LTE truck drivers. In both years, the remaining funds will be used to make bulk purchases of merchandise for resale and delivery to WCW customers.

**Summary of financial condition of appropriation 20.410(1)(kk).** The following is a fund condition statement for appropriation 20.410(1)(kk) to show the effect of the request on the appropriation as adjusted for the additional expenditure authority:

	<u>FY98</u>	<u>FY99</u>
<b>Opening balance</b>	\$1,407,501	\$1,244,574
<b>Revenue:</b>		
Revenue projected to June 30	<u>12,024,495</u>	<u>12,694,100</u>
Revenue available for s. 20.410 (1)(kk)	13,431,996	13,938,674
<b>Expenditures:</b>		
Expenditures projected to June 30	9,938,722	9,866,300
<b>This 16.515 supplemental request</b>	<b><u>2,248,700</u></b>	<b><u>3,010,000</u></b>
Total expenditures projected	12,187,422	12,876,300
<b>Closing balance</b>	\$1,244,574	\$1,062,374
<b>Expenditure authority:</b>		
Total expenditures projected	12,187,422	12,876,300
Less:		
WISMART current budget authority	9,938,722	9,866,300
<b>Requested expenditure authority increase</b>	<b>\$2,248,700</b>	<b>\$3,010,000</b>

This analysis shows that the financial condition of the Institutional Operations and Charges appropriation has sufficient revenue to support the requested increase in expenditure authority.

#### **SUMMARY OF REQUEST**

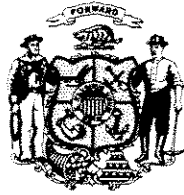
DOC is requesting an increase in expenditure authority for two program revenue activities which provide essential services for itself and also to other state agencies and institutions. The increase in expenditure authority will allow DOC to continue to provide uninterrupted services internally and to its external customers. DOC has sufficient revenue to cover the increase in expenditures.

#### **RECOMMENDATION**

Approve the requested increase in expenditure authority of \$2,248,700 PRS in FY98 and \$3,010,000 PRS in FY99. Included in the request for FY98 is one-time funding for capital expenditures of \$16,500 PRS.

Tommy G. Thompson  
Governor

Michael J. Sullivan  
Secretary



Mailing Address  
149 East Wilson Street  
Post Office Box 7925  
Madison, WI 53707-7925  
Telephone (608) 266-2471

## State of Wisconsin Department of Corrections

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February 19, 1998

23

### MEMORANDUM

TO: Richard G. Chandler, State Budget Director  
Department of Administration

FROM: Michael J. Sullivan, Secretary  
Department of Corrections *M. J. Sullivan*

RE: §16.515 (1) Request for Appropriation §20.410 (1) (kk)  
Numeric Appropriations 122 and 135

### REQUEST

The Department of Corrections requests additional expenditure authority of \$399,700 in FY 98 and \$510,000 in FY 99 in Appropriation 135 for the Waupun Central Generating Plant.

The department also requests additional expenditure authority of \$1,849,000 in FY 98 and \$2,500,000 in FY 99 in Appropriation 122 for the Waupun Central Warehouse.

The total expenditure authority requested in FY 98 in §20.410(1) (kk) is \$2,248,700 and in FY 99, the total is \$3,010,000.

### REVENUE SOURCES FOR THE APPROPRIATION

§20.410 (1) (kk) derives its revenue from institution operations and charges. In numeric appropriation 122, the revenues are monies paid by correctional institutions, state agencies, and local units of government for goods sold by the Waupun Central Warehouse. In appropriation 135, the revenues are derived from payments made by correctional facilities for fuel and utilities. Alpha kk also contains numeric appropriation 127 – Facilities and Engineering Design, appropriation 130 – Canteen Operations, and appropriation 138 – Institutional Operations and Charges.

## **BACKGROUND**

### **Central Generating Plant**

The Central Generating Plant (CGP) is a co-generation plant that produces steam and electricity by burning coal and paper pellets. The low-pressure steam provides space and water heating for Waupun Correctional Institution (WCI) and Dodge Correctional Institution (DCI). High-pressure steam is sold to DCI and WCI primarily for the operation of food service equipment and to the John C. Burke Correctional Center (JBCC) and the Waupun Creamery for space and water heating. Electricity produced by the plant supplements the local utility service to DCI and WCI and provides emergency electrical generation capability. The CGP also sells hard and soft water to various correctional sites in the Waupun area. A number of facilities expansions at DCI and WCI, as well as the new construction of a Creamery have added 395,800 square feet, which increases the amount of utilities that need to be purchased. Additional expenditure authority was not requested in 1997 WI Act 27. The entire requested authority is in supplies and services.

### **Waupun Central Warehouse**

The Waupun Central Warehouse (WCW) purchases items such as paper products, inmate clothing, cereal, and flour in bulk at a discount, and resells the items to correctional institutions, other state agencies, schools, and local governments. This process results in substantial discounts to the buyers. Based on past experience and current sales figures, additional expenditure authority is needed to sustain operations and continue to purchase items for resale.

## **JUSTIFICATION**

### **Central Generating Plant**

Since 1995, 329,800 square feet have been added to DCI, a 57,500 square foot segregation building has been added to WCI, and the 8,500 square foot Waupun Creamery began operations, for a total of 395,800 new square feet of space, resulting in increased costs for fuel to heat the additional space. With the expansions, over 700 additional inmates are housed in the institutions, and there is a resulting need for more water. The opening and operation of the Creamery increased the demand for water and steam, and the new food service building included in the Dodge expansion increased the need for steam to operate the equipment.

### **Waupun Central Warehouse**

The Waupun Central Warehouse purchases operational supply items in bulk at large discounts and resells them to correctional institutions, state agencies, and local units of government. Inmate populations are rising, and the demand for items such as paper products, inmate clothing, cereal, and flour increases correspondingly. WCW's available

supplies and services budget authority as of January 15, 1998 was \$289,000 with several months remaining in FY 98.

This request includes a one-time FY 98 capital increase of \$16,500, to increase the capital line enough to purchase a truck and several semi-trailers. The rest of the FY 98 increase is in supplies and services. In FY 99, there is a small increase of \$1,100 in the LTE line for additional truck driver services. The balance of the FY 99 request is in supplies and services.

### **SUMMARY**

The Department of Corrections requests expenditure authority in §20.410(1)(kk) of \$1,849,000 in FY 98 and \$2,500,000 in FY 99.

The department further requests expenditure authority in §20.410 (1) (kk) of \$399,700 in FY 98 and \$510,000 in FY 99 in Appropriation 135.

Total expenditure authority requested in §20.410 (1) (kk) is \$2,248,700 in FY 98 and \$3,010,000 in FY 99.

A fund condition statement of alpha kk is attached to this request.

Attachment

# DEPARTMENT OF CORRECTIONS

## 20.410 (1) (kk) Institution Operations and Charges - 16.515 Request

### 1997-98 This Request:

	122	127	130	135	138	TOTALS
Bal From 1996-97	\$ 639,699.00	\$ 195.00	\$ 3,000.00	\$ 366,296.00	\$ 398,311.00	\$ 1,407,501.00
Revenues	\$ 8,940,000.00	\$ 91,095.00	\$ 223,100.00	\$ 2,420,300.00	\$ 350,000.00	\$ 12,024,495.00
PGM Rev Available	\$ 9,579,699.00	\$ 91,290.00	\$ 226,100.00	\$ 2,786,596.00	\$ 748,311.00	\$ 13,431,996.00
Permanent Salaries	\$ 288,500.00	\$ 32,300.00	\$ 143,100.00	\$ 601,100.00		\$ 1,065,000.00
LTE Salaries	\$ 9,600.00	\$ 10,700.00	\$ 20,000.00	\$ 11,000.00		\$ 51,300.00
Fringe Benefits	\$ 109,300.00	\$ 13,000.00	\$ 60,000.00	\$ 224,200.00		\$ 406,500.00
Supplies & Services	\$ 8,369,723.00	\$ 35,095.00		\$ 1,525,800.00	\$ 502,900.00	\$ 10,433,518.00
Permanent Property	\$ 146,426.00			\$ 74,878.00		\$ 221,304.00
Special Purposes	\$ 7,700.00			\$ 2,100.00		\$ 9,800.00
	\$ 8,931,249.00	\$ 91,095.00	\$ 223,100.00	\$ 2,439,078.00	\$ 502,900.00	\$ 12,187,422.00

Ending Cash Balance \$ 648,450.00 \$ 195.00 \$ 3,000.00 \$ 347,518.00 \$ 245,411.00 \$ 1,244,574.00

### Budget Reconciliation

B-2 Expenditure Auth.	\$ 7,014,400.00	\$ 91,600.00	\$ 223,100.00	\$ 1,980,800.00	\$ 502,900.00	\$ 9,812,800.00
Carryover	\$ 67,849.00			\$ 58,578.00		\$ 126,427.00
This Request	\$ 1,849,000.00			\$ 399,700.00		\$ 2,248,700.00
	\$ 8,931,249.00	\$ 91,600.00	\$ 223,100.00	\$ 2,439,078.00	\$ 502,900.00	\$ 12,187,927.00

# DEPARTMENT OF CORRECTIONS

20.410 (1) (kk) Institution Operations and Charges - 16.515 Request

1998-99 This Request:

	122	127	130	135	138	TOTALS
Bal From 1997-98	\$ 648,450.00	\$ 195.00	\$ 3,000.00	\$ 347,518.00	\$ 245,411.00	\$ 1,244,574.00
Revenues	\$ 9,515,200.00	\$ 92,500.00	\$ 226,700.00	\$ 2,481,800.00	\$ 377,900.00	\$ 12,694,100.00
PGM Rev Available	\$ 10,163,650.00	\$ 92,695.00	\$ 229,700.00	\$ 2,829,318.00	\$ 623,311.00	\$ 13,938,674.00
Permanent Salaries	\$ 288,500.00	\$ 32,300.00	\$ 141,300.00	\$ 601,500.00	\$ 20,100.00	\$ 1,083,700.00
LTE Salaries	\$ 9,600.00	\$ 10,700.00		\$ 11,000.00		\$ 31,300.00
Fringe Benefits	\$ 109,300.00	\$ 13,000.00	\$ 53,300.00	\$ 224,300.00	\$ 7,800.00	\$ 407,700.00
Supplies & Services	\$ 8,970,100.00	\$ 36,500.00	\$ 32,100.00	\$ 1,631,300.00	\$ 508,300.00	\$ 11,178,300.00
Permanent Property	\$ 130,000.00			\$ 35,500.00		\$ 165,500.00
Special Purposes	\$ 7,700.00			\$ 2,100.00		\$ 9,800.00
	\$ 9,515,200.00	\$ 92,500.00	\$ 226,700.00	\$ 2,505,700.00	\$ 536,200.00	\$ 12,876,300.00

Ending Cash Balance \$ 648,450.00 \$ 195.00 \$ 3,000.00 \$ 323,618.00 \$ 87,111.00 \$ 1,062,374.00

Budget Reconciliation

B-2 Expenditure Auth.	\$ 7,015,200.00	\$ 92,500.00	\$ 226,700.00	\$ 1,995,700.00	\$ 536,200.00	\$ 9,866,300.00
This Request	\$ 2,500,000.00			\$ 510,000.00		\$ 3,010,000.00
	\$ 9,515,200.00	\$ 92,500.00	\$ 226,700.00	\$ 2,505,700.00	\$ 536,200.00	\$ 12,876,300.00



STATE OF WISCONSIN  
DEPARTMENT OF ADMINISTRATION  
101 East Wilson Street, Madison, Wisconsin

TOMMY G. THOMPSON  
GOVERNOR  
MARK D. BUGHER  
SECRETARY

Mailing Address:  
Post Office Box 7864  
Madison, WI 53707-7864



**Date:** March 17, 1998

**To:** Mark D. Bugher, Secretary  
Department of Administration

**From:** Paul D. Ziegler, Policy and Budget Analyst  
State Budget Office

**Subject:** Request Under s. 16.505/515 from the Department of Revenue for  
Administration of the Premier Resort Area Tax

**REQUEST:**

The Department of Revenue (DOR) requests a half-time position and expenditure authority of \$14,100 in FY98 and \$17,900 in FY99 for appropriation s. 20.566(1)(gf), *Administration of resort tax*. The entire FY99 request is for ongoing funding.

**REVENUE SOURCES FOR APPROPRIATION:**

The source of revenue deposited in the appropriation under s. 20.566(1)(gf), *Administration of resort tax*, is 3% of the amounts collected by the tax.

**BACKGROUND:**

1997 Act 27 allows municipalities or counties that have at least 40% of their equalized property value in specified tourism related businesses to impose a 0.5% premier resort area tax upon the taxable sales of those businesses. The Village of Lake Delton and the City of Wisconsin Dells have both adopted resolutions to impose the tax. The tax will be effective April 1, 1998 in Lake Delton and July 1, 1998 in Wisconsin Dells. DOR expects to begin receiving revenues from the tax in July for the quarter ending June 30<sup>th</sup>.

While 1997 Act 27 created an appropriation for administration of the premier resort tax, no positions or expenditure authority was provided.

**ANALYSIS:**

The department is requesting a permanent 0.50 FTE program assistant 2 position for premier resort tax duties. This position will register the businesses that will collect the tax and maintain the database of these businesses. It will examine the premier resort tax returns, enter the return data, review adjustments to the returns and provide taxpayer assistance. By dedicating a half-time position to the tax, DOR intends to establish a focal point for inquires. The position will be a resource for all department employees who must incorporate the new tax into their existing assignments.



The funding request is detailed below. It includes \$400 for rental of a post office box to which the returns will be mailed.

	<u>FY98</u>	<u>FY99</u>
Salary	\$2,600	\$10,300
Fringe Benefits	900	3,700
Post Office Box Rental		400
Telephone Service	100	200
Office Supplies	100	100
Travel & Training	100	200
Space Rental	700	3,000
Furniture & Telephone	5,400	
Personal Computer	4,200	
<b>TOTAL REQUEST</b>	<b>\$14,100</b>	<b>\$17,900</b>

Beyond the amounts above, the department will use existing resources to conduct a variety of other activities necessary for this new tax. These activities include:

- Modifying the revenue accounting and delinquent tax computer systems.
- Developing and mailing publications regarding the tax to businesses.
- Printing and mailing tax returns.
- Conducting field audits and identifying non-filers.

**APPROPRIATION BALANCE:**

DOR projects the following revenues and expenditures for the appropriation:

	<u>FY98</u>	<u>FY99</u>
Opening Balance	\$0	-\$11,400
Revenue	2,700	19,500
Expenditures	14,100	17,900
Compensation Reserves		400
Closing Balance	-\$11,400	-\$10,200

While the request may create a cash deficit in the appropriation, the request should still be approved for several reasons:

1. The deficit should disappear over time since projected FY99 revenues exceed FY99 expenditures.
2. The department is still identifying businesses subject to the tax. Consequently, actual program revenues may be higher.
3. Revenue growth should exceed expenditure growth (since the former is tied to taxable sales while the later is tied to pay plan).
4. The workload is imminent.
5. If an imbalance persists, corrective action may be taken at a later time.

**RECOMMENDATION:**

Approve the request. It utilizes the portion of resort tax collections set aside for DOR's costs as intended by 1997 Act 27.



# State of Wisconsin • DEPARTMENT OF REVENUE

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Tommy G. Thompson  
Governor

Cate Zeuske  
Secretary of Revenue

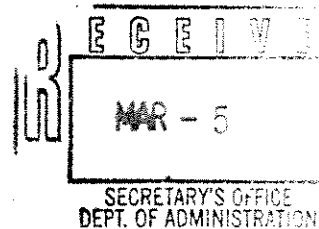
## MEMORANDUM

March 4, 1998

TO: Mark D. Bugher, Secretary  
Department of Administration

FROM: Cate S. Zeuske  
Secretary of Revenue

SUBJECT: s. 16.505/515 Request for Position and Expenditure Authority for s. 20.566(1)(gf) –  
Administration of Resort Tax



The Department of Revenue (DOR) requests a .50 FTE permanent position and \$14,100 in fiscal year 1997-98 and ongoing funding of \$17,900 in fiscal year 1998-99 to administer the premier resort area tax.

### Background

1997 Wisconsin Act 27 created the premier resort area tax under s. 77.994. A municipality or county in which at least 40% of the equalized assessed value of the taxable property is used by tourism-related retailers may adopt a resolution declaring itself a premier resort area and impose a 0.5% gross receipts tax on goods and services provided by tourism-related retailers within the area. The Village of Lake Delton and the City of Wisconsin Dells have adopted resolutions that impose the tax beginning April 1, 1998 and July 1, 1998 respectively. Payments of premier resort area tax are expected to be made to DOR beginning in July 1998 for the quarter ending June 30, 1998. DOR expects to utilize standards methods of collecting tax and ensuring taxpayer compliance. This will require additional audit, compliance, processing and applications development activity in the Division of Income, Sales and Excise Taxes (IS&E).

Ongoing activities required to administer the premier resort area tax include the following:

1. Identification of taxpayers and provision of forms and instructions for registering taxpayers and reporting tax.
2. Capture and computer storage of account and tax data reported by taxpayers.
3. Collection and deposit of tax.
4. Determination of tax payment and reporting requirements and corresponding, billing or refunding to taxpayers who are at variance with requirements.
5. Determination of correct tax liabilities through audit of taxpayer returns and records.

### Computer System

A new premier resort area tax computer system will be developed to support on-line registration, printing of tax returns, capture of return data, and generating adjustment and nonfiler notices on a PC-network platform. Changes will be made to the Revenue Accounting System to account for receipts of premier resort area tax. Changes also will be made to the Delinquent Tax System so that it can accept delinquencies for this new tax.

Existing applications development staff will analyze, design, code and test the new system. They will also maintain the program and provide training and technical support for the program on a long-term basis. Incorporation of this tax into the integrated tax system may require additional resources in the future.

Changes to other systems and ongoing production, monitoring, support, training and consultation functions will be absorbed by existing applications development and technical staff.

### Taxpayer Identification and Registration

A list of potential taxpayers has been received from the Village of Lake Delton. Department staff are working with this municipality to determine taxpayers most like to have a premier resort area tax liability. Department staff will also be working with the City of Wisconsin Dells to obtain this same information.

Existing department staff are developing a publication that will describe the filing requirements for premier resort area tax. In March 1998, the publication will be sent to approximately 175 premier resort area taxpayers. The printing cost of the publication and the associated postage costs will be absorbed.

The existing sales tax registration form will be modified for ongoing registration of new taxpayers. The cost of this change will be minimal and will be absorbed.

The Department is requesting a .50 FTE permanent program assistant 2 position and related supporting costs. This position will perform initial and ongoing registrations, enter new accounts to the computer system, maintain taxpayer information, and inactivate taxpayers upon termination of liability.

### Return Processing

Taxpayers will compute their tax using return forms and accompanying instructions provided by DOR. A year's supply of quarterly return forms will be mailed to each taxpayer on an annual basis. The mailings will be spread over three months to coincide with each taxpayer's initial filing for the year. Each mailing will utilize an 8 ½ x 5 ½ envelope, and will include the proper number of return forms and return mailing labels. The annual printing and postage costs will be absorbed.

Returns and payments filed by taxpayers will be mailed to a separate post office box that will be rented at a cost of \$400 per year. Existing staff will validate returns and deposit checks. The program assistant position requested will screen the returns and perform key-entry to capture return data for processing on the computer system.

### Adjustments, Correspondence and Investigations

The processing system will detect discrepancies in reporting tax by checking computations and comparing data from the premier resort area tax return with account data, and general nonfiler, incomplete returns, and adjustment notices.

Existing staff will monitor computer adjustment notices, adjust accounts with previous department actions, and review appeals related to these adjustments to determine if they should be withdrawn, modified, or referred to the Office of Appeals. Existing staff will provide technical assistance in premier resort area tax and other topics to taxpayers, their representatives, and department and other agency personnel. These staff will also develop and carry out projects to identify and contact business entities that have failed to properly report taxable receipts for premier resort area tax.

Audit activities will include analysis of trends in reported premier resort area gross receipts over time, comparisons of reported premier resort area gross receipts with reported general sales gross receipts, and investigation of variations that may indicate underreporting. Additional field audit activities are also anticipated when auditing sales and use taxpayers who also file premier resort area tax returns. Audit activities will be absorbed by existing staff.

### Summary

The following is a summary of the expenditure authority requested for the administration of premier resort area tax:

	<u>1997-98</u>	<u>1998-99</u>
Permanent Salaries		
Program Assistant 2	\$2,600	\$10,300
Fringe Benefits @ 36.23%	900	3,700
Supplies & Services		
Post Office Box Rental		400
Telephone Service	100	200
Office Supplies	100	100
Travel & Training	100	200
Space Rental	<u>700</u>	<u>3,000</u>
Total Supplies & Services	\$1,000	\$3,900
One-Time Financing		
Furniture, telephone	5,400	
Personal Computer	<u>4,200</u>	
Total One-Time Financing	\$9,600	
Total Costs	\$14,100	\$17,900

Mark D. Bugher  
March 4, 1998  
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Revenue Source for Appropriation

The source of revenue deposited in the appropriation under s. 20.566(1)(gf) – Administration of Resort Area Tax, are 3% of the taxes collected under subchapter X of Chapter 77 (Premier Resort Area Taxes).

Appropriation Balance Analysis

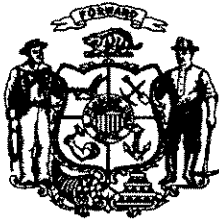
The appropriation balance analysis presented below is shown through fiscal year 1998-99 with expenditure estimates as reflected in this request.

	<u>1997-98</u>	<u>1998-99</u>
Beginning Balance	\$0	(\$11,400)
Projected Revenue	2,700	19,500
Projected Expenditures	14,100	17,900
Compensation Reserves		400
Ending Balance	(\$11,400)	(\$10,200)

# THE STATE OF WISCONSIN

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**BRIAN BURKE**

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## JOINT COMMITTEE ON FINANCE

April 1, 1998

Secretary Mark Bugher  
Department of Administration  
101 E. Wilson St., 10<sup>th</sup> Floor  
Madison, WI 53702

Dear Secretary Bugher:

We are writing to inform you that the Joint Committee on Finance has reviewed your request, dated March 12, 1998, pursuant to s. 16.515/16.505(2), Stats., pertaining to requests from the Department of Corrections and the Department of Justice.

No objections have been raised concerning this request. Accordingly, the request is approved.

Sincerely,

A handwritten signature in black ink, appearing to read "Brian Burke".

BRIAN BURKE  
Senate Chair

A handwritten signature in black ink, appearing to read "John G. Gard".

JOHN G. GARD  
Assembly Chair

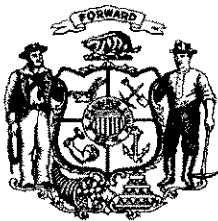
BB:JG:dh

cc: Members, Joint Committee on Finance  
Attorney General James Doyle  
Secretary Michael Sullivan, Department of Corrections  
Robert Lang, Legislative Fiscal Bureau  
Jay Huemmer, Department of Administration

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## JOINT COMMITTEE ON FINANCE

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Brian Burke  
Representative John Gard  
Co-Chairs, Joint Committee on Finance

Date: March 13, 1998

Re: s. 16.515/16.505(2), Stats. Request

Attached is a copy of a request from Secretary Bugher, dated March 12, 1998, pursuant to s. 16.515/16.505(2), Stats., pertaining to requests from the Department of Corrections and the Department of Justice.

Please review these items and notify **Senator Burke** or **Representative Gard** no later than, **Tuesday, March 31, 1998**, if you have any concerns about the request or would like the Committee to meet formally to consider it.

Also, please contact us if you need further information.

BB/JG/jc